



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



**Dear Members,**

**Greetings!**

**India's GDP growth estimated at 9% in FY 2022 and projected at 9% in FY 2023:  
IMF's World Economic Outlook Update**

According to World Economic Outlook Update (January 2022): Rising Caseloads, a Disrupted Recovery, and Higher Inflation, the global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies.

**Overview of the World Economic Outlook Projections**  
(Percent change, unless noted otherwise)

	Year over Year						
	2020	Estimate		Projections		Difference from October 2021 WEO Projections 1/	
		2021	2022	2023	2022	2023	
<b>World Output</b>	-3.1	5.9	4.4	3.8	-0.5	0.2	
<b>Advanced Economies</b>	-4.5	5.0	3.9	2.6	-0.6	0.4	
United States	-3.4	5.6	4.0	2.6	-1.2	0.4	
Euro Area	-6.4	5.2	3.9	2.5	-0.4	0.5	
Germany	-4.6	2.7	3.8	2.5	-0.8	0.9	
France	-8.0	6.7	3.5	1.8	-0.4	0.0	
Italy	-8.9	6.2	3.8	2.2	-0.4	0.6	
Spain	-10.8	4.9	5.8	3.8	-0.6	1.2	
Japan	-4.5	1.6	3.3	1.8	0.1	0.4	
United Kingdom	-9.4	7.2	4.7	2.3	-0.3	0.4	
Canada	-5.2	4.7	4.1	2.8	-0.8	0.2	
Other Advanced Economies 3/	-1.9	4.7	3.6	2.9	-0.1	0.0	
<b>Emerging Market and Developing Economies</b>	-2.0	6.5	4.8	4.7	-0.3	0.1	
Emerging and Developing Asia	-0.9	7.2	5.9	5.8	-0.4	0.1	
China	2.3	8.1	4.8	5.2	-0.8	-0.1	
India 4/	-7.3	9.0	9.0	7.1	0.5	0.5	
ASEAN-5 5/	-3.4	3.1	5.6	6.0	-0.2	0.0	
Emerging and Developing Europe	-1.8	6.5	3.5	2.9	-0.1	0.0	
Russia	-2.7	4.5	2.8	2.1	-0.1	0.1	
Latin America and the Caribbean	-6.9	6.8	2.4	2.6	-0.6	0.1	
Brazil	-3.9	4.7	0.3	1.6	-1.2	-0.4	
Mexico	-8.2	5.3	2.8	2.7	-1.2	0.5	
Middle East and Central Asia	-2.8	4.2	4.3	3.6	0.2	-0.2	
Saudi Arabia	-4.1	2.9	4.8	2.8	0.0	0.0	
Sub-Saharan Africa	-1.7	4.0	3.7	4.0	-0.1	-0.1	
Nigeria	-1.8	3.0	2.7	2.7	0.0	0.1	
South Africa	-6.4	4.6	1.9	1.4	-0.3	0.0	
<i>Memorandum</i>							
World Growth Based on Market Exchange Rates	-3.5	5.6	4.2	3.4	-0.5	0.3	
European Union	-5.9	5.2	4.0	2.8	-0.4	0.5	
Middle East and North Africa	-3.2	4.1	4.4	3.4	0.3	-0.1	
Emerging Market and Middle-Income Economies	-2.2	6.8	4.8	4.6	-0.3	0.0	
Low-Income Developing Countries	0.1	3.1	5.3	5.5	0.0	0.0	
<b>World Trade Volume (goods and services) 6/</b>	-8.2	9.3	6.0	4.9	-0.7	0.4	
Advanced Economies	-9.0	8.3	6.2	4.6	-0.7	0.6	
Emerging Market and Developing Economies	-6.7	11.1	5.7	5.4	-0.7	0.0	
<b>Commodity Prices (US dollars)</b>							
Oil 7/	-32.7	67.3	11.9	-7.8	13.7	-2.8	
Nonfuel (average based on world commodity import weights)	6.7	26.7	3.1	-1.9	4.0	-0.4	
<b>Consumer Prices</b>							
Advanced Economies 8/	0.7	3.1	3.9	2.1	1.6	0.2	
Emerging Market and Developing Economies 9/	5.1	5.7	5.9	4.7	1.0	0.4	

Source: PHD Research Bureau, PHD Chamber, compiled from IMF World Economic Outlook

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during December 10, 2021–January 7, 2022. Economies are listed on the basis of the aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

1/ Difference based on rounded figures for the current and October 2021 WEO forecasts. Countries whose forecasts have been updated relative to October 2021 WEO forecast approximately 90 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output, the quarterly estimates and projections account for approximately 90 percent of annual world output at purchasing-power-parity weights. For Emerging Markets and Developing Economies, the quarterly estimates and projections account for approximately 80 percent of annual emerging market and developing economies' output at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and forecasts are presented on a fiscal year basis, with FY 2021/2022 starting in April 2021. For the January 2022 WEO Update, India's growth projections for 2022 and 6.6 percent in 2023 based on calendar year. The impact of the Omicron variant is captured in the column for 2021 in the table.

5/ Indonesia, Malaysia, Philippines, Thailand, Vietnam.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$69.07 in 2021; the assumed price in futures markets (as of January 10, 2022), is \$77.31 in 2022 and \$71.29 in 2023.

8/ The inflation rate for the euro area is 3.0% in 2022 and 1.7% in 2023, for Japan is 0.7% in 2022 and 2023, and for the United States is 5.9% in 2022 and 2.7% in 2023, respectively.

9/ Excludes Venezuela.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

## Outlook for India

India's GDP growth is estimated at 9% in FY 2022 and projected at 9% in FY 2023 and 7.1% in FY 2024. According to IMF's World Economic Outlook Update, among prominent revisions not due to the pandemic, India's prospects for 2023 are marked up on expected improvements to credit growth—and, subsequently, investment and consumption—building on better-than-anticipated performance of the financial sector.

The detailed report on IMF's World Economic Outlook Update (January 2022) is enclosed for your kind reference.

Please contact for any query related to this mail to Ms Shivani Mehrotra, Research Officer at [shivani.mehrotra@phdcci.in](mailto:shivani.mehrotra@phdcci.in) with a cc to Dr S P Sharma, Chief Economist | DSG at [spsharma@phdcci.in](mailto:spsharma@phdcci.in) and Ms Kritika Bhasin, Senior Research Officer at [kritika.bhasin@phdcci.in](mailto:kritika.bhasin@phdcci.in), PHD Chamber of Commerce and Industry.

Warm Regards,

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